

# Municipalization: Where we are today

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# Agenda

I ..... Key Milestones

II ..... Legal Outcomes

III ..... Key Issues

IV ..... Next Steps

# Key Milestones

- 2013 – Third-party evaluation confirms city can meet requirements; council forms utility.
- 2014 – Create transition plan for operating utility; begin court process.
- 2015 – Implementation of transition plan; RFQ for service providers, RFP for power supply to Xcel; file this summer at Colorado Public Utilities Commission (PUC).



# Legal Outcomes



- **Federal Energy Regulatory Commission (FERC)**
- **Condemnation filing in district court**
- **Public Utilities Commission (PUC)**

# Key Issues

**Lower greenhouse gas emissions**  
and **more clean energy** were  
initial drivers, however -

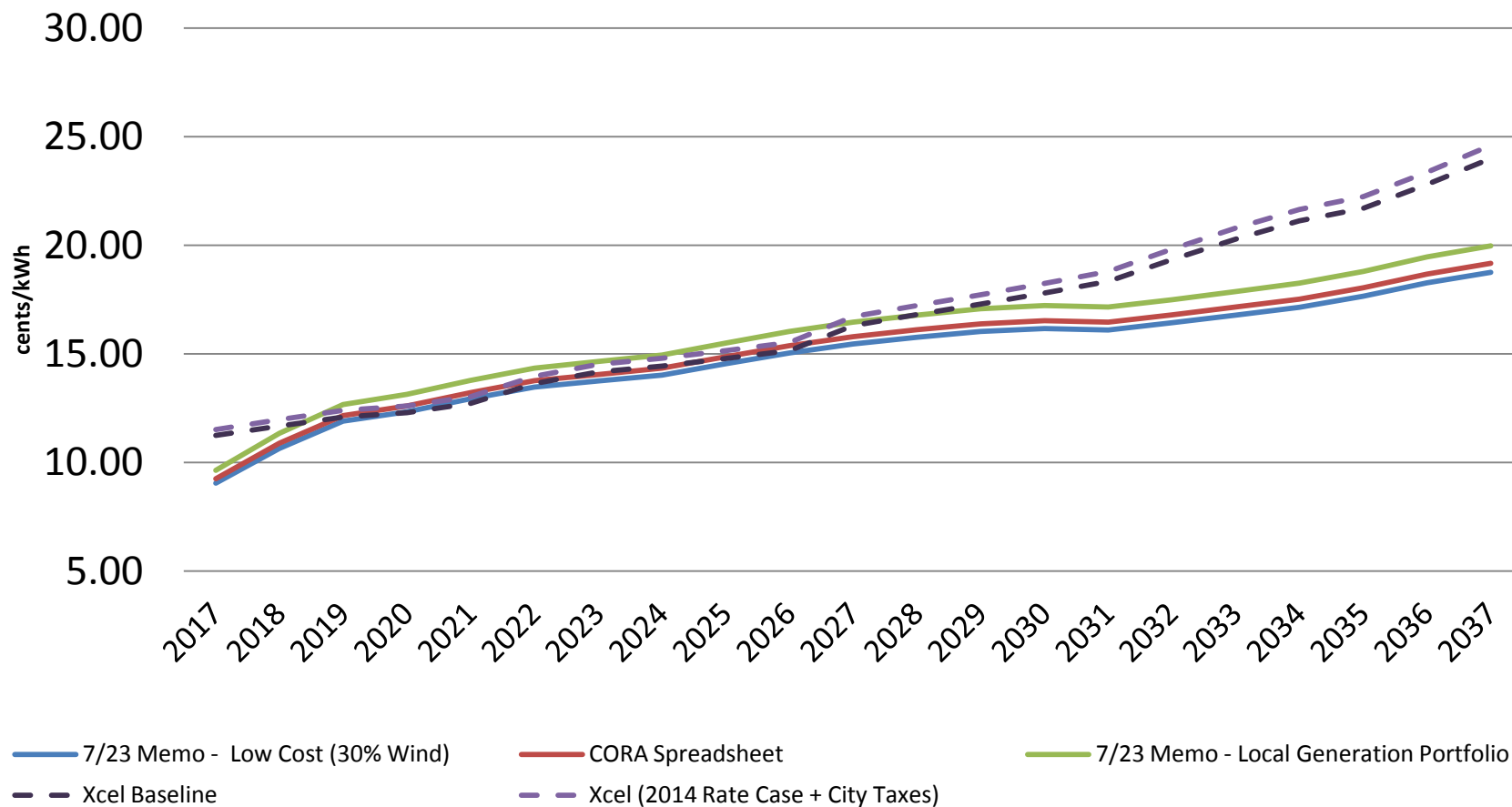
There are other considerations:

- **Rates**
- **Reliability**
- **Opportunity**



# Key Issues: Rates

**Model Trends - Cost Paid by Utility Customers**  
(Averaged Across Rate Classes)



# Key Issues: Rates

Cost Category Breakdown			
Xcel (6-year Avg)	%	%	City of Boulder (6-year Avg)
O&M (Excl. Fuel & PP)	18%	15%	O&M (Excl. Fuel & PP)
Fuel & PP	39%	66%	Fuel & PP & Transmission
Deprec./Amort. Exp. & Earnings on Rate Base	25%	16%	Debt Service
Taxes Other than Income	12%	3%	PILOT & General Fund Transfer
Income Taxes	6%	0%	N/A
<b>Total</b>	<b>100%</b>	<b>100%</b>	

# Key Issues: Reliability

## Reliability Comparison Data

Note: APPA survey data based on 11 publically owned utilities in Region 1 which includes Colorado, Wyoming, New Mexico and Utah

### 2013 Data

	Public Service (Boulder Region)	APPA Region 1 Average
<b>SAIFI</b> (# per year)	0.91	1.02
<b>SAIDI</b> (in minutes)	91.8	53.05
<b>CAIDI</b> (in minutes)	102	78.69
Acronym	Stands for	
SAIFI	System Average Interruption Frequency Index	
SAIDI	System Average Interruption Duration Index	
CAIDI	Customer Average Interruption Duration Index	



# Key Issues: Opportunity

- National and state trends are toward more innovation and open markets.
- Cities are leveraging their publicly owned utilities for economic vitality.
- For example: San Antonio's CPS Energy, the nation's largest municipal utility, has implemented the "New Energy Economy (NEE)" program, which has led businesses to preferentially locate headquarters and manufacturing facilities in San Antonio.

# Key Issues: Opportunity

- Another example - Chattanooga, Tennessee has reinvented their public utility as an “energy service provider”. In addition to access to low-cost, reliable power, local industries benefit from:
  - Time Of Use pricing expected to result in savings of \$2.3 million a year for 22 manufacturers involved a pilot
  - Smart sensors minimizing the spread of electricity outages
  - Some business customers are able to forgo redundant electric feeds because of high reliability
  - Ability to notify customers about spikes in energy demand
  - The grid is projected to provide the city \$300 million in economic benefits over 10 years

**The energy utility market is changing.  
This shift is necessary and inevitable.**

*Causes include:*

- Changing needs and demographics
- Deregulation and competition
- Technology
- Public pressure

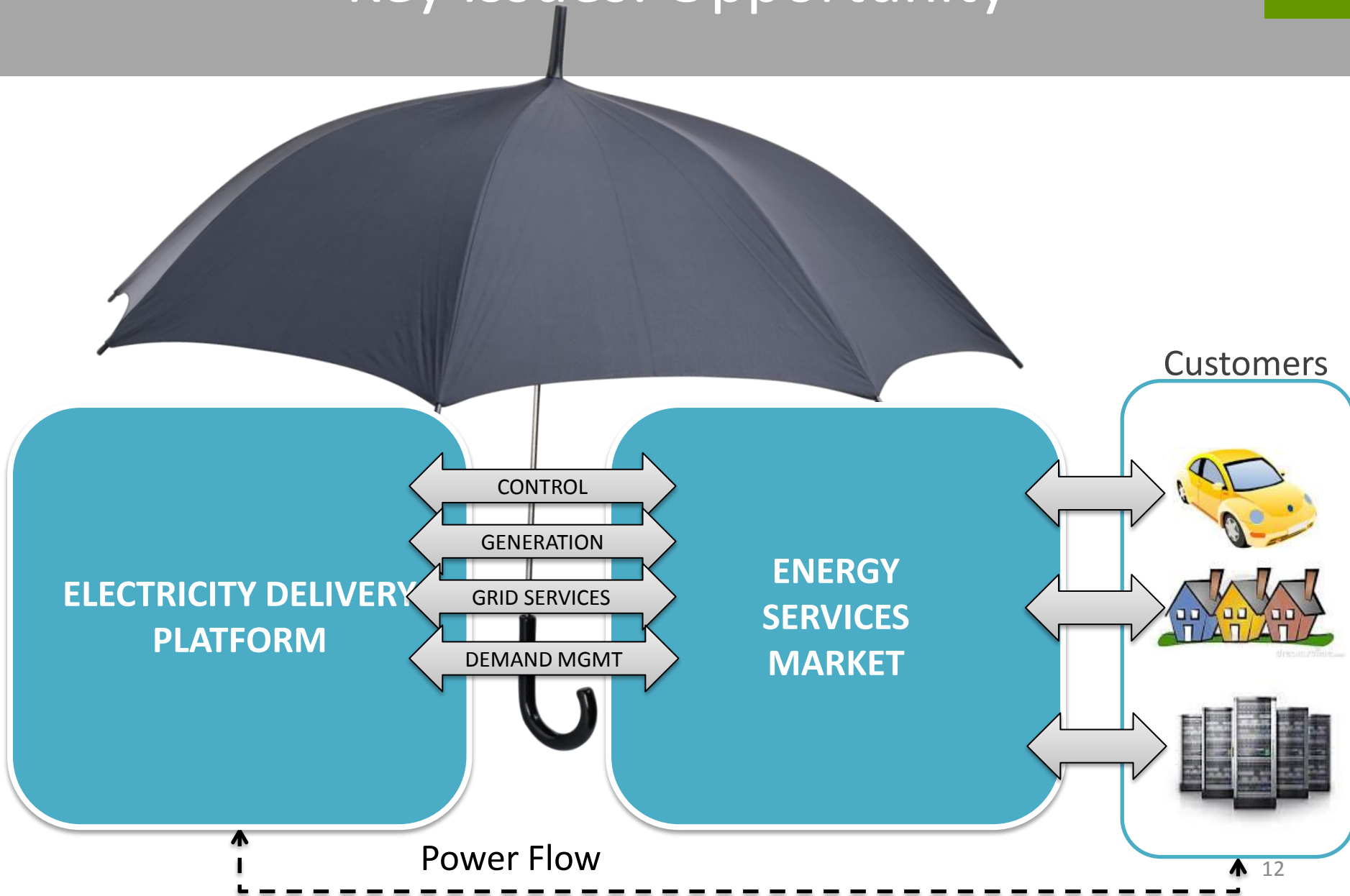
**Current Business  
Model**



**Desired Business  
Model**

# Key Issues: Opportunity

III



# What We Are Doing Today

- Boulder Energy Challenge
  - Provided grants to six local energy innovators
- Platinum Level Solar Friendly Community
- Solar Localization Analysis
- Solar Grants Program
- Grant Applications for Nanogrid and Other Innovative Demonstration Projects

# What We Can't Do Today

- Control the carbon intensity of our energy portfolio
- Determine the strategic investments in our grid infrastructure to support distributed generation, microgrids, etc
- Support innovative products and services to the home and energy system that are not behind the meter
- Significantly increase the resilience of our system

# Next Steps

- We are moving ahead but will stop if we cannot meet the charter requirements.
- We are always open to **true partnership** with Xcel and **welcome alternatives and proposals** that address the Boulder community's energy goals.
- **Next Steps:**
  - File application with the PUC
  - Transition plan implementation
  - Condemnation
  - Utility start up in 12/17

# Connect and Learn More

Follow along at [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com)

- Sign up for E-News updates and newsletter
- Use online comment form for questions, feedback or suggestions
- Follow the Local Environmental Action Division (LEAD) on Twitter!  
**@boulderlead**

Send an email to the staff team at

[EnergyFuture@bouldercolorado.gov](mailto:EnergyFuture@bouldercolorado.gov)

Contact **Heather Bailey** with questions/comments

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